



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-580-879]

Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2015-2016

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that Hyundai Steel Company (Hyundai Steel), Dongbu Steel Co., Ltd/Dongbu Incheon Steel Co., Ltd. (Dongbu), producers and/or exporters of certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea), received countervailable subsidies during the period of review (POR) November 6, 2015, through December 31, 2016. Commerce is also rescinding the review with respect to Mitsubishi International Corporation.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Myrna Lobo at 202-482-2371 or Jun Jack Zhao at 202-482-1396, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION

Background

Commerce published the *Preliminary Results* of on August 10, 2018.¹ For a history of events that occurred since the *Preliminary Results*, see the Issues and Decision Memorandum.²

On December 6, 2018, we postponed the final results of this review until February 6, 2019. As a result of the partial government shutdown, the deadline for the final results of this review was revised to March 18, 2019.³

Based on an analysis of the comments received and information received from the Government of Korea (GOK) after the *Preliminary Results*, Commerce has revised its calculations for Hyundai Steel. Commerce did not make any changes to the subsidy rates determined for Dongbu. The final subsidy rates are listed in the “Final Results of Administrative Review” section, below.

Scope of the Order

The products covered by this order are certain corrosion-resistant steel products. For a complete description of the scope of this order, see attachment to the Issues and Decision Memorandum.

¹ See *Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results of Countervailing Duty Administrative Review; and Rescission of Review, Rescission of Review, in Part, and Intent to Rescind, in Part; 2015-16* (August 10, 2018) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² See Memorandum re: Issues and Decision Memorandum For the Final Results of Countervailing Duty Administrative Review of Corrosion-Resistant Steel Products from the Republic of Korea; 2015-2017 (Issues and Decision Memorandum, or IDM), dated concurrently with, and hereby adopted by, this notice.

³ See Memorandum re: Deadlines Affected by the Partial Shutdown of the Federal Government, dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

Analysis of Comments Received

All issues raised in interested parties' case briefs are addressed in the Issues and Decision Memorandum. The issues are identified in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on the comments received from interested parties and information received from the GOK after the *Preliminary Results*, we made changes to the net subsidy rates calculated for Hyundai Steel. We did not make any changes to the net subsidy rates calculated for Dongbu. For a discussion of these issues, see the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a

benefit to the recipient, and that the subsidy is specific.⁴ For a description of the methodology underlying all of Commerce's conclusions, *see* the Issues and Decision Memorandum.

Partial Rescission of Review

Commerce initiated a review of Mitsubishi International Corporation (Mitsubishi) in this administrative review.⁵ In the *Preliminary Results*, we stated our intent to rescind the review with respect to Mitsubishi because Mitsubishi claimed no shipments during the POR and we did not receive any contradictory information. Therefore, in accordance with 19 CFR 351.213(d)(3), we are rescinding this administrative review with respect to Mitsubishi.

Companies Not Selected for Individual Review

For the companies not selected for individual review, because the rates calculated for Dongbu and Hyundai Steel were above *de minimis* and not based entirely on facts available, we applied a subsidy rate based on a weighted-average of the subsidy rates calculated for Dongbu and Hyundai Steel using publicly ranged sales data submitted by respondents. This is consistent with the methodology that we would use in an investigation to establish the all-others rate, pursuant to section 705(c)(5)(A) of the Act.

Final Results of Administrative Review

⁴ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 42974 (September 13, 2017) (*Initiation Notice*), corrected by *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 48051 (October 16, 2017) (*Correction Notice*).

In accordance with section 777A(e)(1) of the Act and 19 CFR 351.221(b)(5), we determine the total estimated net countervailable subsidy rates for the period November 6, 2015, through December 31, 2016 to be:

Company	Subsidy Rate (percent <i>ad valorem</i>)	
	2015	2016
Dongbu Steel Co., Ltd./Dongbu Incheon Steel Co., Ltd.	7.63	8.47
Hyundai Steel Company	0.61	0.57
Bukook Steel Co., Ltd.	3.13	3.34
CJ Korea Express	3.13	3.34
DK Dongshin Co., Ltd.	3.13	3.34
Dongbu Express	3.13	3.34
Hongyi (HK) Hardware Products Co., Ltd.	3.13	3.34
Jeil Sanup Co., Ltd.	3.13	3.34
POSCO	3.13	3.34
POSCO C&C	3.13	3.34
POSCO Daewoo Corp.	3.13	3.34
Sejung Shipping Co., Ltd.	3.13	3.34
SeAH Steel	3.13	3.34
Seil Steel Co., Ltd.	3.13	3.34
Soon Hong Trading Co., Ltd.	3.13	3.34
Taisan Construction Co., Ltd.	3.13	3.34
TCC Steel Co., Ltd.	3.13	3.34
Young Sun Steel Co.	3.13	3.34

Assessment and Cash Deposit Requirements

In accordance with 19 CFR 351.212(b)(2), Commerce intends to issue appropriate instructions to U.S. Customs and Border Protection (CBP) 15 days after publication of the final results of this review. We will instruct CBP to liquidate shipments of subject merchandise produced and/or exported by the companies listed above, entered, or withdrawn from warehouse for consumption, from November 6, 2015, through December 31, 2016, at the *ad valorem* rates listed above. The liquidation rate applicable to the period in 2015 will be the 2015 rates shown above, and the rates applicable to the period in 2016 will be the 2016 rates shown above. The 2016 rates will also serve as the cash deposit rates for exports of subject merchandise subsequent to these final results.

We intend also to instruct CBP to collect cash deposits of estimated countervailing duties, in the amounts shown above for 2016, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most-recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice also serves as a final reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary

information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding, in accordance with 19 CFR 351.224(b).

These final results are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: March 18, 2019.

Christian Marsh,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Scope of the Order
- III. Period of Review
- IV. Rescission of Administrative Review, in Part
- V. Subsidies Valuation Information
- VI. Analysis of Programs
- VII. Discussion of Comments

- Comment 1: Whether Hyundai Green Power is Hyundai Steel's Cross-Owned Input Supplier
- Comment 2: Whether Tax Benefits Should be Adjusted to Account for the Special Rural Development Tax
- Comment 3: Whether Tax Credit Programs Under the RSTA Meet the Specificity Requirement
- Comment 4: Whether Suncheon Harbor Usage Fee Exemptions under the Harbor Act Are Countervailable
- Comment 5: Whether the Trading of Demand Response Resource Program is Specific
- Comment 6: Rescission of Review with Respect to Mitsubishi International Corporation
- Comment 7: Whether the Non-Government-Owned Banks Participating in Dongbu's Debt Restructuring Program Provided a Financial Contribution
- Comment 8: Whether Dongbu's Loan Restructuring by the GOK Creditors Provided a Financial Contribution and Benefit to Dongbu
- Comment 9: Whether Loan Restructuring Provided to Dongbu was Specific Pursuant to Section 771(5A)(D)(iii) of the Act
- Comment 10: Whether Commerce Should Use the Interest Rate of Commercial Banks Participating in the Creditor Bank Committee as the Loan Benchmark
- Comment 11: Whether the Debt-To-Equity Swaps in Dongbu's Debt Restructuring Program Conferred a Benefit

VIII. Recommendation

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